



GAO HIGH RISK LIST

Federal Real Property

FIMS/RE Workshop
Cincinnati, OH

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What is the GAO High Risk List?



- Government Accountability Office (GAO) – Legislative Branch
 - Audit, evaluation, investigative arm of Congress

- GAO High Risk List – focus “areas” needing added attention in Agencies
 - Biennial Report since 1990
 - 31 High Risk areas now
 - e.g. project management, contract management, human capital, nation’s transportation system, tax laws, etc.
 - 2003 Federal Real Property added
 - All Federal Real Property is at risk

GAO High Risk - 2003 Federal Real Property



- Federal Government has many assets it does not need
 - No longer effectively aligned with, or responsive to, agencies' changing missions
- Federal portfolio is in an alarming state of deterioration
 - Deferred maintenance and repairs would required tens of billions of dollars
- Lack reliable and useful data
 - Only central source (GSA worldwide inventory) was unreliable and of limited usefulness
 - Many agencies' data was inadequate
- Reliance on costly leasing
 - Recognition that in many cases leases have a higher life cycle cost than ownership

GAO High Risk - Gov't Responses



- EO 13327, Federal Real Property Management (2004)
 - "... to promote efficient and economical use ... and to assure management accountability for implementing federal real property reforms."
 - Created Federal Real Property Council in FY 04
- E.O. 13327 Major Provisions:
 - Federal Real Property Council (FRPC): Inter-agency Group/OMB Lead
 - Senior Real Property Officer (SRPO): Director, OECM (Paul Bosco)
 - Agency Asset Management Plans: Strengthens Facility Planning
 - Federal Real Property Profile (FRPP): Inter-agency Real Property Database

GAO High Risk - DOE Responses



- DOE Directive Real Property Asset Management (RPAM) – Sep 2003
 - Ten Year Site Plans
 - Integrated Facility & Infrastructure Budget Crosscuts
 - Real Estate Actions approved by Certified Realty Specialists
 - asset not fully utilized => dispose
 - Acquisition GPP/IGPP to meet missions
 - Maintenance & Recapitalization
 - Disposition & Long Term Stewardship
 - Performance Measures (AUI, ACI, Maintenance Execution)

- RPAM Training Course – since 2004
 - 16 Deliveries to 300 people

GAO High Risk – DOE Responses (Cont'd)



- Generate policy and real property management guidance with Programs
- Administer FIMS (Facilities Information Management System)
 - Validation process
 - Condition assessment tool
- Advocate for real property stewardship through the budget process
- Track, trend, project, and report real property performance measures



■ Facility & Infrastructure Mission:

- *"Build, modernize & maintain facilities & infrastructure to achieve mission goals and ensure a safe and secure workforce."*

■ Occupancy:

- 15,000 Government employees
- 150,000 Contractor employees

■ Portfolio:

- 47 Major Sites
- 2.29 million acres
- 18,354 buildings & structures
 - 121,156,960 GSF
 - \$84.8B Replacement Plant Value (RPV)
- 8.1 MSF Leased buildings (6.25% of total)
 - Annual Lease Rent \$130M
- Asset Condition Index = 95.2%**
**Active/Operational Buildings

DOE Owned Real Property	Number	GSF	RPV	Deferred Maintenance
Buildings & Trailers	10,487	121M	\$58.9B	\$2.7B
Other Structures	7,867	N/A	\$38.6B	\$1.6B
Total	18,354	123M	\$97.5B	\$4.3B

We Need Your Support to:



- **Be the First Agency Removed from the GAO High-Risk List for “Federal Real Property”**



GAO High Risk List (2003 – Now)



High Risk Area	Accomplishments to Date	Potential Opportunities
Excess and Underutilized Real Property	<ul style="list-style-type: none"> ■ FY03 to FY08: \$5.018B, 14M GSF ■ DOE O 430.1 directs reuse or disposition of such real property ■ Anticipated dispositions plans incorporated within Ten Year Site Plans (TYSP) 	<ul style="list-style-type: none"> ■ Right sizing the portfolio through space and siting standards ■ Improving the accuracy of disposition targets
Deteriorating Facilities	<ul style="list-style-type: none"> ■ Condition-based assessments to accurately estimate repair / replacement costs ■ Establish budgetary targets for programs maintenance funding (target: 2 – 4% of plant value, extra 1% for high deferred maintenance) 	<ul style="list-style-type: none"> ■ Better qualification of the relationship between deferred maintenance and mission impairment ■ Establish a Federal facilities Manager Certification process



ALL Federal Real Property identified as at High Risk

GAO High Risk List (2003 – Now)



High Risk Area	Accomplishments to Date	Potential Opportunities
Unreliable Real Property Data	<ul style="list-style-type: none"> ■ Facilities Information Management System (FIMS) contains 190 data elements (including 25 FRPC reportable elements) & approximately 20,000 records ■ Robust data validation process with scoring and corrective action plans when standards are not met. 	<ul style="list-style-type: none"> ■ Applying tests to identify potentially inconsistent records ■ Creation of an automated data integrity process
Costly Space Challenges (Leasing)	<ul style="list-style-type: none"> ■ TYSP process allows better long-term value analysis ■ Approx. 6% of gross square footage is leased. ■ Comparisons with constructing the same space prior to lease execution. 	<ul style="list-style-type: none"> ■ Ensuring leased space meets or exceeds sustainability (LEED) requirements for new construction ■ Increase quantity of Certified Real Estate Specialists in the field



ALL Federal Real Property identified as at High Risk

A large, stylized graphic is centered on the slide. It consists of a bright yellow sunburst with many sharp points radiating outwards. Overlaid on the center of the sunburst is a thick, red, rounded rectangular banner. Inside the banner, the words "THANK YOU" are written in a bold, white, sans-serif font.

THANK YOU